

SeherNDW, J

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

USDC SDNY DOCUMENT ELECTRONICALLY FILED DOC #: DATE FILED: <i>5/24/10</i>

Prediction Company LLC,

Plaintiff,

- against -

Abhishek Rajgarhia,

Defendant.

**CONSENT ORDER WITH
PERMANENT INJUNCTION**

Case No. 09-Civ 7459 (SAS)

This case having been filed by Plaintiff Prediction Company LLC ("Prediction" or the "Company") against its former employee, Abhishek Rajgarhia ("Rajgarhia"); and

Rajgarhia, without admitting the truth of Prediction's allegations, agrees to accept service of the Complaint in this action, agrees that this Court has personal jurisdiction over him, and agrees to cooperate in resolving Plaintiff's claims and therefore agrees to enter into an Agreed Injunction Order; and

All parties having been advised by counsel of their choosing,

NOW, THEREFORE, it is hereby stipulated and agreed between Prediction and Rajgarhia as follows:

1. Rajgarhia authorizes DeNovo Legal ("DeNovo"), an independent third-party forensic examiner, to be paid for by Prediction, to take immediate custody of, reformat and promptly return to counsel for Rajgarhia the computers and digital storage devices (the "Electronic Devices") which he placed in the custody of his counsel in August 2009. Rajgarhia acknowledges and consents that the reformatting process will permanently delete or destroy all digital copies of all

digital information contained on the computer and storage devices. DeNovo shall not make a copy of any materials on the Electronic Devices.

2. Rajgarhia hereby represents and warrants, under penalties of perjury, that he has not retained and does not have possession, custody, or control over any non-public information in any media concerning Prediction (including, but not limited to, the AM Strategy or source code as described in the Complaint, research and development materials pertaining to the AM Strategy, trading records pertaining to or using the AM Strategy, and, without admitting its alleged trade secret status, "Appendix A" as described in the Complaint).

3. Rajgarhia has advised counsel for Prediction under oath of the identity of each individual and/or entity to whom or which he has disclosed or provided any non-public information concerning Prediction (including, but not limited to, the AM Strategy or source code) and/or (without admitting its alleged trade secret nature) "Appendix A" as described in the Complaint, and the dates and circumstances thereof.

4. Rajgarhia shall not directly or indirectly, alone or in concert with others, use, implement or disclose to third parties other than his counsel any information relating to or embodying Prediction's trading strategies, including, without limitation, the source code for the AM strategy, the model underlying the AM strategy, trading records pertaining to the AM strategy (whether from trades performed at Prediction or elsewhere), research and/or development materials relating to the AM strategy, or any other non-public Prediction materials or

information relating to the AM trading strategy; or any other confidential information belonging to or concerning Prediction or its operations.

5. Rajgarhia shall not directly or indirectly, alone or in concert with others, use, implement or disclose to third parties other than his counsel a copy of the document described in the Complaint and entitled "Appendix A" (without admitting its alleged trade secret nature).

6. Through and including July 18, 2011 (a) Rajgarhia shall provide each employer or entity for whom he performs or intends to perform services, whether as an employee, independent contractor, consultant, or otherwise, and whether for pay or not, with a copy of the Prediction Invention Assignment and Proprietary Information Agreement and the UBS Agreement Concerning the Handling of Confidential Information and the Assignment of Employee Inventions, and (b) if Rajgarhia performs or intends to perform services, whether as an employee, independent contractor, consultant, or otherwise, and whether for pay or not, for any employer or entity in which he would be, or would be anticipated to be, engaged in the development of, research for, or management, trading or operation of, equities statistical arbitrage trading strategies (US or not), he shall provide counsel for Prediction with the offer letter (from which financial terms may be redacted) from and the name, address, and contact information of any such employer or entity. Prediction may contact the employer/prospective employer in writing, with a copy to counsel for Rajgarhia, to advise the employer or entity that Rajgarhia is a party to the Prediction Invention Assignment and Proprietary Information Agreement and the UBS Agreement Concerning the Handling of

Confidential Information and the Assignment of Employee Inventions, to inform the employer or entity of any specific questions or concerns it may have relating to the prospective employment and to make inquiries regarding safeguards to protect against the use or disclosure of Prediction's intellectual property. Should there be any follow-up communications between the new employer or entity and Prediction, Prediction will provide counsel for Rajgarhia with prior notice and an opportunity to participate.. Prediction shall not mention this lawsuit to any such employer unless Prediction seeks the assistance of the Court in enforcing this Order. The terms set forth in the preceding two sentences will be followed if any employer or entity for which Rajgarhia is performing or seeking to perform services contacts Prediction, and Prediction may advise the employer or entity that Rajgarhia is a party to the Prediction Invention Assignment and Proprietary Information Agreement and the UBS Agreement Concerning the Handling of Confidential Information and the Assignment of Employee Inventions, may inform the employer or entity of any specific questions or concerns it may have relating to Rajgarhia's employment, and may make inquiries regarding safeguards to protect against the use or disclosure of Prediction's intellectual property.

7. (a) Rajgarhia may advise prospective employers that (i) he was employed by Prediction from June 2008 – July 2009; (ii) his titles were Associate Director and Quantitative Financial Research Analyst; and (iii) his duties included providing research support for proprietary trading strategies, analysis of signal performance, and analysis of a variety of data sources. (b) Rajgarhia may not (i) discuss with or disclose to prospective employers the performance of any of

Prediction's trading strategies or financial models; (ii) represent or imply to prospective employers that he was a trader for any of Prediction's trading strategies or financial models; or (iii) provide further details about the work that he did for Prediction without the express written permission of Prediction. Provided that Rajgarhia is in compliance with paragraphs 7(a)(i)-(iii) and 7 (b)(i)-(iii), Rajgarhia may truthfully answer prospective employers' questions about his skills and general experience without disclosing any of Prediction's confidential information (for instance, if asked whether he has ever used the computer language "Matlab" on the job, Rajgarhia may respond in the affirmative, but if asked whether Prediction uses particular variables as signals in its strategies or the weight Prediction gives to particular variables, he must decline to answer).

8. Violation of any provision of this Order may be punishable as contempt.
9. This Order does not modify or supersede or waive any contractual or legal obligations Rajgarhia has to Prediction, including his obligations under the Invention Assignment and Proprietary Invention Agreement and the Agreement Concerning the Handling of Confidential Information and the Assignment of Employee Inventions, except to the extent that it requires Rajgarhia to provide a copy of such documents to new or prospective employers.
10. This action is hereby dismissed with prejudice and without costs or fees to any party, provided however that the Court shall retain jurisdiction to enforce the terms of this Order.

Dated: New York, New York
May 11, 2010

PREDICTION COMPANY LLC

ABHISHEK RAJGARHIA

By *Lance J. Gotko*
Title CEO

- and -

PAUL, HASTINGS, JANOFSKY &
WALKER LLP

FRIEDMAN KAPLAN
SEILER & ADELMAN, LLP

By *Victoria A. Cundiff*
Victoria A. Cundiff
Counsel for Prediction Company LLC
75 E. 55th Street
New York, NY 10022
(212) 318-6000

By _____
Lance J. Gotko
Counsel for Abhishek Rajgarhia
1633 Broadway
New York, NY 10019
(212) 833-1100

SO ORDERED.

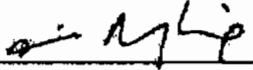
HONORABLE SHIRA A. SCHEINDLIN
UNITED STATES DISTRICT JUDGE

Dated: New York, New York
May 20 2010

PREDICTION COMPANY LLC

ABHISHEK RAJGARHIA

By _____
Title _____




- and -

PAUL, HASTINGS, JANOSKY &
WALKER LLP

FRIEDMAN KAPLAN
SEILER & ADelman, LLP

By _____
Victoria A. Candiff
Counsel for Prediction Company LLC
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New York, NY 10022
(212) 318-6000

By  _____
Lance J. Gotko
Counsel for Abhishek Rajgarhia
1633 Broadway
New York, NY 10019
(212) 833-1100

SO ORDERED.


HONORABLE SHIRA A. SCHENDLIN
UNITED STATES DISTRICT JUDGE

Date: 5/21/10